

Internal Service Funds

THE CITY OF
COLUMBUS

Employee Benefits Fund

The employee benefits fund was established in 1993 and represents funds intended for the administration of benefit programs for city employees, as well as funds for property and boiler insurance for city facilities. These operations are managed in the Human Resources Department and the Finance and Management Department, respectively.

2021 Cash Balance Statement

A portion of the Employee Benefits Fund is dedicated to the administration of the risk management section of the Department of Human Resources. The fund's primary source of revenue is the monthly insurance premium paid by each division for all participating employees of the city's insurance program.

2021 Employee Benefits Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ -
Plus Estimated 2021 Receipts	5,989,579
Total Estimated Available Resources	\$ 5,989,579
Less 2021 Recommended Operating Budget - Human Resources	(5,594,579)
Less 2021 Recommended Operating Budget - Finance	(395,000)
Projected Available Balance (December 31, 2021)	\$ -

Notes:

- The figures cited above reflect only the revenues and expenditures associated with administration of the risk management section of the Department of Human Resources and include the payments for the property and boiler insurance for city facilities.
- The fund is expected to begin and end the year with a zero balance.
- Revenues and expenditures associated with the payment of employee health benefit claims are not represented in this section.

Print and Mailroom Services Fund

The print and mail services fund was established in 2008 and is managed by the Finance and Management Department. The fund represents a consolidation of print and mail functions provided to all city departments. Operational costs associated with both the print center and mailroom are supported by billing user agencies. The fund provides an accounting of the city's print, resale, and copy center transactions as well as mailroom activity.

2021 Cash Balance Statement

The print and copy center operates as an internal service fund, with costs supported by billing user agencies for print and copy services provided. Mailroom services, transferred from the Department of Technology to the Department of Finance and Management in 2008, are included in this fund as well. Revenues and expenditures for both the print center and the mailroom are accounted for in this fund. Charges for the mailroom, including postage charges, are billed back to user agencies. The fund is projected to begin 2021 with an unencumbered cash balance of \$243,868 and end the year at \$268,868. Significant improvements in billing procedures, office space, and equipment have been implemented over the past several years, and the resulting benefits continue to be reflected in both operations. Overall, more departments are requesting print and mail services, rather than outsourcing service requests, thus creating more revenue.

2021 Print and Mailroom Services Fund		
Balance Summary		
Unencumbered Cash Balance (January 1, 2021)	\$	243,868
Plus Estimated 2021 Print Services Receipts		647,410
Plus Estimated 2021 Mailroom Services Receipts		1,275,835
Plus Estimated Encumbrance Cancellations		25,000
Total Estimated Available Resources	\$	2,192,113
Less 2021 Recommended Operating Budget - Print		(647,410)
Less 2021 Recommended Operating Budget - Mailroom		(1,275,835)
Projected Available Balance (December 31, 2021)	\$	268,868

2021 Revenue Summary

2021 Print and Mailroom Services Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2018 Actual	2019 Actual	2020 Estimated	2021 Proposed
Print Services	\$ 626,608	\$ 569,461	\$ 571,663	\$ 647,410
Mailroom Services	1,228,383	1,187,539	1,016,825	1,275,835
Encumbrance Cancellations	78,048	37,047	-	25,000
Unencumbered Cash Balance	498,852	330,928	279,676	243,868
Total Resources	\$ 2,431,891	\$ 2,124,975	\$ 1,868,164	\$ 2,192,113
Percent Change		-12.62%	-12.09%	17.34%

Land Acquisition Fund

The City Attorney's Real Estate Division is responsible for the acquisition of real property interests needed by city departments. Revenues to the land acquisition fund are comprised of charges to other city departments for these services, which often include title and appraisal preparation and review, legal document and instrument preparation and review, negotiations, and closings.

2021 Cash Balance Statement

The beginning year unencumbered cash balance in this fund is projected at \$417,482. The 2021 revenue estimate is equal to a projection of 3,120 hours of services billed at a rate of \$300 per hour. The division reviews its rate periodically and increases it when necessary to fully recover costs. With a proposed budget of \$1,190,281, the anticipated fund balance by year end is \$163,201.

2021 Land Acquisition Fund		
Balance Summary		
Unencumbered Cash Balance (January 1, 2021)	\$	417,482
Plus Estimated 2021 Receipts		936,000
Plus Estimated Encumbrance Cancellations		-
Total Estimated Available Resources	\$	1,353,482
Less 2021 Recommended Operating Budget		(1,190,281)
Projected Available Balance (December 31, 2021)	\$	163,201

Technology Services Fund

The technology services fund is an internal service fund that supports the operations of the Department of Technology. The fund receives revenue from other city departments both directly, wherein the department pays certain technology costs on behalf of other departments and charges on a dollar-for-dollar basis, and indirectly, wherein the department charges departments based on their allocated utilization of technology services, such as application maintenance, email and messaging services, and project management.

2021 Cash Balance Statement

The technology services fund is managed by the Department of Technology and is projected to begin the year with an unencumbered cash balance of \$5,171,220 and end the year with \$471,219. Revenues to the fund consist of charges to other city divisions for technology services, utilizing a cost recovery model to determine applicable rates for various operational functions. In addition, the department procures goods, services, and other computer related equipment on behalf of city divisions and bills back the cost as a direct charge. The department also receives revenue from outside sources, such as Franklin County and Columbus City Schools, for services provided.

2021 Technology Services Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 5,171,220
Plus Estimated 2021 Receipts	52,694,298
Plus Estimated Encumbrance Cancellations	300,000
Less Billing True-up to Agencies	(5,000,000)
Total Estimated Available Resources	\$ 53,165,518
Less 2021 Recommended Operating Budget	(52,694,299)
Projected Available Balance (December 31, 2021)	\$ 471,219

Pro Forma Operating Statement

The department will continue to use a charge-back methodology to fully recover costs related to information technology services. In 2020, the cost recovery model was updated to streamline and more accurately calculate the charges to city agencies for technology use and services. The department continues to use a time and attendance reporting system for many of its services. A pro forma operating statement for the ten-year period follows this page and represents the Director's Office and the Information Services Division (ISD) revenues and expenditures for that period. The major assumptions are as follows:

- Personnel expenses, insurance, supplies, maintenance, and capital expenses grow two percent annually in 2022 and beyond.
- The Information Services Division incurs debt service for capital expenditures such as terminal replacement, system migration, network expansion, the city's Oracle site license and enterprise-wide network management software, data center renovations, hardware upgrades, and mass storage, software upgrades, telephony upgrades, and other projects.
- Recovery rates in the pro forma are adjusted as necessary to allow the division to maintain positive year-end unencumbered cash balances. This pro forma indicates an approximate 26.4 percent increase in revenues in 2021 over 2020 projections, as necessary, to meet that goal. Revenues in each of the years thereafter are adjusted to maintain a positive balance in the fund.



Internal Service Funds

INFORMATION SERVICES DIVISION PRO FORMA OPERATING STATEMENT														
	Actual 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
REVENUES BY SOURCE														
Other Fund-Direct Charge	\$ 2,729,291	\$ 4,938,962	\$ 6,053,663	\$ 6,144,468	\$ 6,251,996	\$ 6,595,856	\$ 6,711,283	\$ 6,895,844	\$ 6,895,844	\$ 7,102,719	\$ 7,016,521	\$ 7,138,233		
Other Fund-Indirect Charge	14,540,156	16,354,202	18,767,269	19,048,778	19,382,132	20,448,149	20,805,991	21,378,156	21,378,156	22,019,501	21,752,274	22,129,598		
General Fund-Direct Charge	1,647,027	1,581,193	6,844,555	2,947,223	2,998,800	3,163,734	3,219,099	3,307,624	3,307,624	3,406,853	3,365,508	3,423,887		
General Fund-Indirect Charge	16,276,180	18,072,403	20,979,468	21,294,160	21,666,808	22,858,482	23,258,506	23,898,115	23,898,115	24,615,058	24,316,332	24,738,133		
Outside Source Revenue	1,174,383	732,846	49,343	50,083	50,960	53,762	54,703	56,208	56,208	57,894	57,191	58,183		
TOTAL REVENUE	36,367,037	41,679,604	52,694,298	49,484,712	50,350,695	53,119,983	54,049,583	55,535,946	55,535,946	57,202,025	56,507,825	57,488,035		
Encumbrance Cancellations	359,092	615,738	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		
Billing True-up to Agencies	-	-	(5,000,000)	-	-	-	-	-	-	-	-	-		
Beginning Fund Balance	3,116,946	4,112,351	5,171,220	471,219	516,644	415,580	356,664	410,802	504,898	488,169	521,653	558,937		
TOTAL RESOURCES	39,843,075	46,407,693	53,165,518	50,255,931	51,167,339	53,835,563	54,706,247	56,246,748	56,340,844	57,990,194	57,329,478	58,346,972		
EXPENDITURES														
Operating - Admin & ISD														
Personnel Services	15,901,211	16,982,212	18,196,614	18,560,546	18,931,757	19,310,392	19,696,600	20,090,532	20,090,532	20,492,343	20,492,343	20,902,190		
27th pay period	-	654,235	-	-	-	-	-	-	-	-	-	-		
Health Insurance	2,985,166	2,818,246	2,638,627	2,691,400	2,745,228	2,800,132	2,856,135	2,913,257	2,913,257	2,971,523	2,971,523	3,030,953		
Materials & Supplies	1,120,315	1,489,734	1,321,804	1,348,240	1,375,205	1,402,709	1,430,763	1,459,378	1,459,378	1,488,566	1,488,566	1,518,337		
Services	11,420,095	15,104,021	24,949,647	21,448,640	21,877,613	23,815,165	24,291,468	24,777,298	24,777,298	25,272,844	25,272,844	25,778,300		
Fleet	11,763	16,444	19,615	20,007	20,407	20,816	21,232	21,657	21,657	22,090	22,090	22,531		
Other	716	1,200	1,000	1,020	1,040	1,061	1,082	1,104	1,104	1,126	1,126	1,149		
Capital Outlay	23,084	69,054	151,000	154,020	157,100	160,242	163,447	166,716	166,716	170,051	170,051	173,452		
Total Operating Expenses	31,462,350	37,135,146	47,278,307	44,223,873	45,108,351	47,510,518	48,460,728	49,429,943	49,429,943	50,418,541	50,418,541	51,426,912		
Debt Service - Principal	3,830,000	4,040,000	4,315,000	5,040,000	5,285,000	5,720,000	5,685,000	6,240,000	6,405,000	7,050,000	6,352,000	6,284,000		
Debt Service - Interest	438,374	61,328	1,100,992	475,414	358,408	248,381	149,718	71,908	17,732	-	-	-		
Total Debt Service Expenses	4,268,374	4,101,328	5,415,992	5,515,414	5,643,408	5,968,381	5,834,718	6,311,908	6,422,732	7,050,000	6,352,000	6,284,000		
TOTAL EXPENSES	35,730,724	41,236,473	52,694,299	49,739,287	50,751,759	53,478,899	54,295,446	55,741,850	55,852,675	57,468,541	56,770,541	57,710,912		
ENDING FUND BALANCE	\$ 4,112,351	\$ 5,171,220	\$ 471,219	\$ 516,644	\$ 415,580	\$ 356,664	\$ 410,802	\$ 504,898	\$ 488,169	\$ 521,653	\$ 558,937	\$ 636,060		

Fleet Management Fund

The fleet management services fund is an internal services fund that supports the operations of the Fleet Management Division within the Department of Finance and Management. The fund derives revenue through charges to city agencies for labor and maintenance on city-owned vehicles and equipment, gasoline, diesel, and compressed natural gas distribution, as well as surcharges on parts acquired for maintenance and repair of assets.

2021 Cash Balance Statement

The Fleet Management Division recovers its costs by billing user agencies for services provided. The revenue includes rates of \$75 per hour for light vehicles and \$95 per hour for heavy vehicles, a 35 percent markup on parts, a 5 percent markup on commercial services and credit card fuel purchases, and a fuel overhead rate of \$0.25 per gallon for bulk fuel.

The fleet management services fund is projected to start the year with a positive unencumbered cash balance of \$495,908 and will end 2021 with an unencumbered cash balance of \$1,575,325.

2021 Fleet Management Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 495,908
Plus Estimated 2021 Receipts	39,344,854
Plus Estimated Encumbrance Cancellations	900,000
<u>Total Estimated Available Resources</u>	<u>\$ 40,740,762</u>
Less 2021 Recommended Operating Budget	(39,165,438)
<u>Projected Available Balance (December 31, 2021)</u>	<u>\$ 1,575,324</u>

2021 Revenue Summary

2021 Fleet Management Fund					
Revenue by Source and Year					
Historical and Projected					
Revenue Summary	2018	2019	2020	2021	
	Actual	Actual	Estimated	Proposed	
Public Safety	\$ 15,415,297	\$ 15,946,209	\$ 13,018,064	\$ 16,962,021	
Refuse Collection	7,918,309	7,207,161	7,578,622	9,874,644	
Other General Fund	394,485	1,860,457	1,620,771	2,112,106	
Other Funds	9,881,598	8,669,755	8,526,832	10,171,083	
Refunds/Miscellaneous	1,695,851	910,577	7,301,810	225,000	
Encumbrance Cancellations	2,414,386	1,876,308	548,836	900,000	
Unencumbered Cash Balance	(2,990,875)	(2,328,146)	(4,004,505)	495,908	
Total Resources	\$ 34,729,051	\$ 34,142,321	\$ 34,590,430	\$ 40,740,762	
Percent Change		-1.69%		1.31%	17.78%

Pro Forma Operating Statement

A ten-year pro forma operating statement is presented on the following page. It represents the Division of Fleet Management's projected revenues and expenditures for that period, given certain assumptions. The pro forma is essential in planning recovery rate percentage increases or decreases, and for maintaining an acceptable year-end balance. The major assumptions included in this pro forma are as follows:

- Personnel expenses, materials and supplies, services, and other expenses grow two percent per year in 2022 and beyond.
- Debt service principal and interest have been broken out separately.
- Recovery rates in the pro forma are adjusted as necessary to allow the division to maintain positive year-end unencumbered cash balances.



Internal Service Funds

FLEET MANAGEMENT FUND												
	Actual 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUE SOURCE												
MAINTENANCE SERVICE CHARGES												
Public Safety	\$ 15,946,209	\$ 13,018,064	\$ 16,962,021	\$ 17,131,641	\$ 17,302,958	\$ 17,475,987	\$ 17,650,747	\$ 17,827,255	\$ 18,005,527	\$ 18,185,582	\$ 18,367,438	\$ 18,551,113
Refuse Collection	7,207,161	7,578,622	9,874,644	9,973,390	10,073,124	10,173,856	10,275,594	10,378,350	10,482,134	10,586,955	10,692,824	10,799,753
Other General Fund Divisions	1,860,457	1,620,771	2,112,106	2,133,227	2,154,559	2,176,105	2,197,866	2,219,845	2,242,043	2,264,464	2,287,108	2,309,979
Other Funds	8,669,755	8,526,832	10,171,083	10,272,794	10,375,522	10,479,277	10,584,070	10,689,910	10,796,810	10,904,778	11,013,825	11,123,964
Miscellaneous Revenues	910,577	3,201,810	225,000	227,250	229,523	231,818	234,136	236,477	238,842	241,230	243,643	246,079
True Up Billing	-	4,100,000	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	34,594,159	38,046,099	39,344,854	39,738,303	40,135,686	40,537,042	40,942,413	41,351,837	41,765,355	42,183,009	42,604,839	43,030,887
Beginning Fund Balance	(2,328,146)	(4,004,505)	495,908	1,575,324	2,443,712	3,023,254	3,325,666	4,067,665	5,090,259	7,649,111	10,166,678	12,376,644
Encumbrance Cancellations	1,876,308	548,836	900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317
TOTAL RESOURCES	34,142,321	34,590,430	40,740,762	42,222,626	43,497,487	44,487,567	45,204,622	46,365,411	47,810,982	50,797,041	53,746,088	56,391,848
EXPENDITURES												
Operations and Maintenance												
Operations and Maintenance												
Personnel Services	9,361,003	9,116,375	9,479,757	9,669,352	9,862,739	10,059,994	10,261,193	10,466,417	10,675,746	10,889,261	11,107,046	11,329,187
27th Pay Period	-	331,597	-	-	-	-	-	-	-	-	-	-
Health Insurance	2,621,038	2,353,799	2,300,304	2,346,310	2,393,237	2,441,101	2,489,923	2,539,722	2,590,516	2,642,327	2,695,173	2,749,077
Materials & Supplies	15,418,229	11,494,427	15,822,266	16,138,711	16,461,486	16,790,715	17,126,530	17,469,060	17,818,441	18,174,810	18,538,306	18,909,073
Services	4,636,829	5,042,867	6,023,519	6,143,990	6,266,870	6,392,207	6,520,051	6,650,452	6,783,461	6,919,130	7,057,513	7,198,663
Capital	18,770	-	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
Other	1,000	1,500	1,500	1,530	1,561	1,592	1,624	1,657	1,690	1,723	1,758	1,793
Total Operations & Maintenance	32,056,868	28,340,565	33,652,347	34,325,394	35,011,902	35,712,140	36,426,383	37,154,910	37,898,008	38,655,969	39,429,088	40,217,670
Director's Office	889,569	1,001,852	959,627	978,820	998,396	1,018,364	1,038,731	1,059,506	1,080,696	1,102,310	1,124,356	1,146,843
Debt Service												
Principal	4,177,000	3,860,000	3,770,000	3,775,000	3,865,000	3,945,000	3,285,000	2,760,000	940,000	630,000	560,000	640,000
Interest	1,023,387	892,105	783,465	699,701	598,936	486,398	386,843	300,737	243,168	242,085	256,000	268,000
Total Debt Service	5,200,387	4,752,105	4,553,465	4,474,701	4,463,936	4,431,398	3,671,843	3,060,737	1,183,168	872,085	816,000	908,000
TOTAL EXPENSES	38,146,825	34,094,522	39,165,438	39,778,915	40,474,233	41,161,902	41,136,957	41,275,152	40,161,872	40,630,363	41,369,444	42,272,513
ENDING FUND BALANCE	\$ (4,004,505)	\$ 495,908	\$ 1,575,324	\$ 2,443,712	\$ 3,023,254	\$ 3,325,666	\$ 4,067,665	\$ 5,090,259	\$ 7,649,111	\$ 10,166,678	\$ 12,376,644	\$ 14,119,336

Construction Inspection Fund

On April 1, 2009, the Department of Public Service ceased all expenditure and revenue activity in the development services fund and established two new funds: the private construction inspection fund and the internal service construction inspection fund. The construction inspection fund captures the accounting activity associated with the construction administration and inspection services of the Department of Public Service's Division of Design and Construction. This division provides these services for roadway, bridge, water, sanitary and storm sewer, electric power, and signal infrastructure for the City of Columbus.

2021 Cash Balance Statement

The Construction Inspection Fund and the Private Inspection Fund share employees within the Design & Construction Division of Public Service based on the types of projects requiring inspection. The employees or their respective supervisors record their hours into the DPS Billing system for a private, Ohio Department of Transportation (ODOT), or City of Columbus Capital Improvement Program (CIP) project. These hours are then billed out to the respective owners on a bi-weekly basis.

The revenue estimates are historically based on the prior 12-month period of total billable hours per employee between private and public jobs. The hours are compiled by the employee for the twelve month period by private, ODOT, or CIP projects due to different billing rates. Once the compilation of hours is complete, the revenue estimate is calculated using the hours worked times the appropriate billing rate for each project type and attributed to either the private inspection fund or the construction inspection fund. The construction inspection fund will begin the year with an estimated balance of \$5,301,273. Revenues for 2021 are budgeted at \$11,755,638 and encumbrance cancellations of \$75,000 are expected. With a proposed budget of \$12,891,642, the fund is projected to end the year with an unencumbered cash balance of \$4,240,269.

2021 Construction Inspection Fund Balance Summary

Unencumbered Cash Balance (January 1, 2021)	\$ 5,301,273
Plus Estimated 2021 Receipts	11,755,638
Plus Estimated Encumbrance Cancellations	75,000
Total Estimated Available Resources	\$ 17,131,911
Less 2021 Recommended Operating Budget	(12,891,642)
Projected Available Balance (December 31, 2021)	<u>\$ 4,240,269</u>